

The complaint

Miss V complains that Monzo Bank Ltd, won't refund the money she lost to a modelling job scam. Also, she is dissatisfied with the service she received when she complained.

What happened

Miss V was introduced to an international modelling role with overseas Company C, by either a customer, model or her neighbour, where she could get to meet celebrities.

She believed it to be an exciting and genuine opportunity and:

- Paid registration fees to Company C.
- Appears to have submitted portfolio pictures.
- Arranged to attend overseas fashion events.
- Made travel plans with Company A.

Miss V made a number of payments for the above – see table below. Unfortunately, Miss V's visa application was declined just before she was due to travel. Miss V managed to recover her flight costs but her request for Company C to provide her with a refund of the six payments, totalling £707.72, which she paid from her Monzo bank account were declined.

Payment Number	Transaction Date	Payment Type	Payee	Amount
1	24/07/2024	Card	Company C	£31.07
2	24/07/2024	Card	Company C	£31.07
3	24/07/2024	Card	Company C	£38.05
4	24/07/2024	Card	Company A	£275.25
5	18/08/2024	Card	Company C	£299.96
6	20/08/2024	Card	Company C	£32.32
Total				£707.72

Miss V was upset with the Company C representative and doesn't believe their reasons for declining her refund request. She thinks they sold her a dream in order to steal from her.

Miss V explains that:

- She wanted to approach Monzo to obtain a refund. As she didn't know how to get in touch with them, due to them not having any branches, she spoke to her support worker who assisted her as she has a medical condition. But she didn't contact Monzo to claim a chargeback refund until 24 February 2025.
- She has a condition which affects her behaviour and mental health and causes her significant emotional instability and suicidal thoughts. Both prior to and during the period of the above payments, she was receiving medical treatment including being hospitalised, as she felt anxious and overwhelmed by events in her life.

- She subsequently contacted Monzo to make a chargeback claim, in which she mentioned a scam. Monzo declined this as it was outside a 120-day time limit. So, Miss V subsequently submitted a scam claim on 17 March 2025.
- Monzo then declined her scam claim.
- Soon after, Monzo gave her notice that they were closing her account.
- Due to her mental health difficulties she was put in a vulnerable position. She was delayed in opening a new bank account and this caused an issue with her universal credit payments and caused her to seek help and food from charities and pay interest charges.
- Monzo's actions caused her inconvenience and distress and made her feel suicidal.

Miss V brought a complaint to our service seeking a refund of her losses and compensation for poor service and distress caused by Monzo's actions. This includes:

- Failure to adequately investigate the fraud claim.
- Insufficient consideration of the financial and emotional impact of the fraud.
- Unclear communications.

However, our investigator didn't think Monzo had done anything wrong and were responsible for her loss.

As Miss V considers the investigator's outcome to be unfair, her complaint has been passed to me to look at.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, my decision is not to uphold this complaint, and I'll explain why. I'll focus on what I think are the important points to reach a final decision. But I've carefully considered all the points both parties have made, even though I don't specifically address them all.

I should first say that I'm very sorry to hear that Miss V has lost this money, experienced disappointment over her modelling dream and suffered distress when unwell and trying to get her money back. Also, at having her bank account closed.

Scam Claim

From the submissions I've reviewed, it isn't clear if Miss V was the victim of a modelling scam here. Although this is a possibility, it's also possible there were no refund rights upon cancellation where travel wasn't possible, or the services were misrepresented. Also, I haven't seen full details of the agreement and some of the losses, such as accommodation from company A (payment 4), may not be included.

Whilst I recognise Miss V's upset and appreciate that she may have further evidence to persuade our service and Monzo that it was a scam, I don't think it would be fair or reasonable to have expected Monzo to have prevented her making any of the payments.

Although Monzo have responsibilities under the Payment Services Regulations 2017 (PSR), which I've detailed below, in **Appendix A**, I wouldn't have expected Monzo to have intervened to give warnings about scams, information on how to avoid them or ask probing questions to then either give advice on due diligence or detect and stop the payments.

Although I appreciate the value of the payments was high to Miss V, and three payments totalling £100.19 were processed in quick succession, the payments were all for relatively low amounts and banks like Monzo process thousands of payments for their customers every day, including multiple purchases.

Also, the payments wouldn't have looked out of character to Monzo when looking at Miss V's normal spending, and I can't see that there was anything unusual or suspicious about them.

In addition, banks have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, even if there was more evidence and this was viewed as a definite scam, I don't think Monzo had information that showed Miss V was at risk of financial harm and that they should make a refund payment because they failed to protect her under the above mentioned PSR. Also, the only other refund method which is the Contingent Reimbursement Model (CRM) code, doesn't apply here as the payments were made by card.

It is unfortunate that Miss V didn't receive Monzo's request for further information. However, although I'm satisfied that they did make this request, I don't think this would've made a difference and changed the decisions not to provide her with a refund.

Chargeback Claim

If, rather than a scam, it is the case here that Miss V didn't get what she paid for because Company C either failed to provide contracted services or misrepresented them, due to her paying by debit card, Miss V was entitled to raise a dispute and apply for a chargeback in order to get a refund.

It's important to note that chargeback rules don't cover scams and a chargeback isn't guaranteed to result in a refund. There needs to be a right to a chargeback and under the scheme rules the merchant can defend a chargeback if it doesn't agree with the request.

In this case, Company C may possibly have agreed to a chargeback and, importantly, if they disagreed, an arbitration service would've likely then considered arguments from both sides to make a refund determination.

But Monzo don't run the chargeback scheme. It's run by a global payments network who have set a strict 120-day timeframe to raise a chargeback. Unfortunately, Miss V submitted her claim too late for Monzo to process it and her chargeback rights had already expired. Although Miss V wanted Monzo to make an exception, this wasn't in Monzo's power. So, I don't think it would be fair or reasonable to hold Monzo responsible for not being able to help secure a refund.

Also, Monzo explain the process on their website and, although I appreciate there was a time within the 120 days that Miss V wasn't well, Miss V appears to have had a helper. Also, there is evidence that she knew how to contact Monzo and was familiar with their process as they'd processed other claims for her and had previously communicated the deadline.

So, I don't think it would be fair or reasonable to hold Monzo responsible for their inability to process chargebacks.

Service Levels

Before considering Miss V's complaints about Monzo's service and communications, I looked at the webchat dialogue that she had with them between 2019 and 2025. This was to see whether Monzo had or should've identified any vulnerabilities Miss V had. Also, to consider whether Monzo should've done anything differently (regarding this complaint) as the Consumer Duty (see **Appendix B** below) came out in July 2023.

I found that Miss V raised many issues with Monzo which included a number of payment issues and disputes and Monzo identified and noted that she was vulnerable on the following occasions:

- In April 2019, Miss V told Monzo she was homeless. Monzo followed this up and Miss V said she was staying somewhere safe with ongoing contact and support from a crisis team.
- In April and May 2021 when Miss V said she was a victim and witness of serious crimes and had enemies targeting her (including her phone and bank account) Monzo escalated this to a specialist team who enquired about her well-being and vulnerability (in writing and on the phone). Monzo repeatedly encouraged Miss V to speak to the police, and they offered her card services / claims support. Miss V made a point of thanking Monzo and explaining that she was receiving support from a 'key worker' and had reported matters to the police.
- In November and December 2021, when Miss V had direct debit, payment, card, PIN and various device issues and mentioned she'd been a victim of serious crimes, she responded to Monzo support enquiries by saying she was being assisted by police, a key worker and IT specialist. Monzo then signposted her to support networks and gave her a support contact number.
- In October 2023, when Miss V couldn't use her account because of a suspected fraud and said she had no food, Monzo appear to have spoken to her about support networks including food banks.
- In May 2025, prior to the account closure, Miss V communicated suicidal thoughts to Monzo. This was because she was upset as they knew she was vulnerable and rather than help her with her scam claim they were closing her account when she didn't do anything wrong. Monzo were concerned and tried to reach out to Miss V. They contacted emergency services when she didn't respond to their messages of concern. They subsequently heard from Miss V who said she was being visited by nurses and doctors twice a day after a mental health breakdown.
- Also, in May 2025, just prior to the account closure, Miss V informed Monzo of another scam, in which she'd given her bank card to a neighbour who stole money from her, and she requested her account be frozen. Miss V said she'd reported this to the police and Monzo offered her support with Miss V appearing to have spoken to their well-being team.

Monzo weren't aware of medical information detailing Miss V's mental health condition. As can be seen in the above, they were though aware that Miss V had periods where she was vulnerable. However, Miss V said she had support through a helper, who appears to have been still assisting her at the time she thought she was scammed in 2024.

I can't see that, despite enquiries and offers of support, either Miss V or her helper requested any specific support from Monzo with regards to banking or financial risks that her condition may cause. Also, requests for any reasonable adjustments when communicating with her about any banking matter, which Miss V often did in writing via Monzo's webchat.

Regarding Monzo's decision to close Miss V's account, I don't think the information Monzo had on Miss V's vulnerability at that time, gave them cause to adjust their standard account closure or complaint response letters.

As explained by our investigator, Monzo didn't have to provide a reason and the terms and conditions of the account mean they are entitled to close an account without giving a reason, just the same as a customer can do. However, I noted that Monzo gave Miss V the required notice and continued to assist and support her in this period.

I noted that Miss V was communicating with Monzo, via webchat, in periods where she was unwell and receiving treatment. Also, she asked Monzo to freeze her account just before it closed. So, I think the universal credit issues may have been after her account closed. If it was that the closure date was causing an issue because of her medical condition, I would've expected Miss V or her helper to have mentioned this to Monzo. As I can't see that Monzo were notified and given an opportunity to offer assistance, I don't think it would be fair or reasonable to consider this a service failure.

So, having considered all the above, I'm very sorry to disappoint Miss V but I'm not upholding this complaint and requiring Monzo to either make a refund or pay compensation.

Appendix A – The Payment Services Regulations 2017 (PSR)

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment.

There's no dispute that Miss V made the payments here, so they are considered authorised. However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider Monzo should fairly and reasonably:

Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Appendix B - Financial Conduct Authority's Consumer Duty

This requires financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Monzo was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Also, recognise signs of vulnerability and provide appropriate support.

My final decision

For the reasons mentioned above, my final decision is not to uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 1 January 2026.

Paul Douglas
Ombudsman